

State of West Virginia

State Auditor's Office
Securities
Commission

1900 Kanawha Blvd, E
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Charleston, WV 25305

-Toll Free-

888-SAIF-WVA
(888-724-3982)

About the State Auditor

The West Virginia State Auditor is an elected, state executive office. First elected in 1992, the State Auditor is Glen B. Gainer III. Auditor Gainer serves as the state's official bookkeeper, Chief Inspector, Securities Commissioner and Commissioner of Delinquent and Non-entered lands.



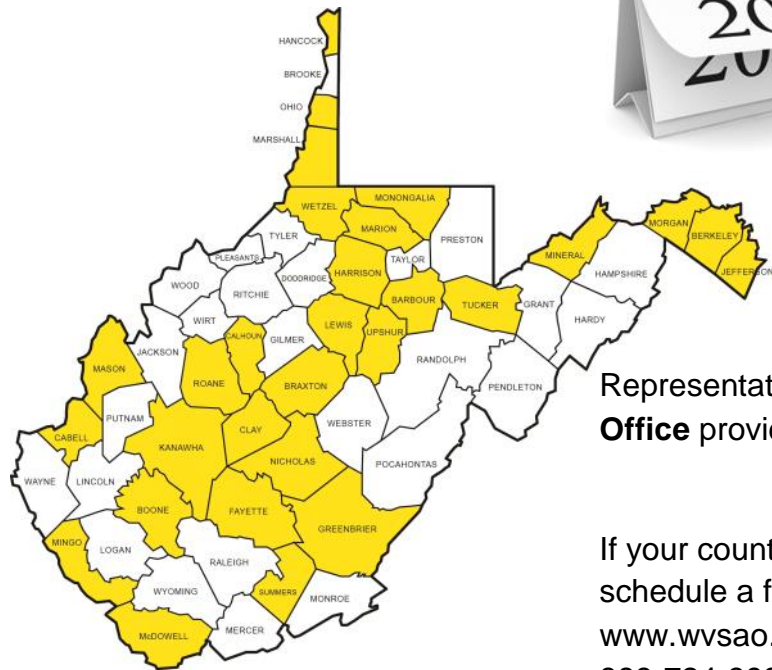
Auditor Gainer serves as Vice Chairman of the West Virginia Consolidated Public Retirement Board; Trustee of the West Virginia Investment Management Board and Chairman of its Audit Committee; Trustee of the West Virginia Board of Treasury Investments and Chairman of its Investment Committee; Chairman of the Interstate Commerce Appeals Board; a member of the Armory Board; a member of the Board of Public Works; and a member of several other state boards and commissions.

He also serves as Chairman of the Executive Board of the National White Collar Crime Center; past president of the National Electronic Commerce Coordinating Council; immediate past president of the National Association of State Auditors, Comptrollers and Treasurers; past president of the National Association of Comptrollers; a member of the National Executive Committee of the Association of Government Accountants; and President of the West Virginia Jump\$tart Coalition.



Representatives from the **West Virginia State Auditor's Office** provided **60** SAIF presentations in 2011.

If your county is **not** highlighted, please contact us to schedule a free presentation in your area by visiting www.wvsao.gov or calling our toll-free phone number, 888-724-3982 (888-SAIF-WVA).



WEST VIRGINIA STATE AUDITOR'S OFFICE

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SENIORNews

Glen B. Gainer III, State Auditor

The "RED FLAGS" of Telemarketing Fraud



Studies by AARP show that older telemarketing fraud victims don't realize that the voice on the phone could belong to someone who is trying to steal their money. Nearly a third of all telemarketing fraud victims are age 60 or older, according to the National Consumer League's National Fraud Information Center. Here are five easy ways to help seniors targeted by telemarketing fraud. Be cautious of:

1. **A promise** that you can win money, make money, or borrow money easily;
2. **A demand** that you act immediately or else miss out on this great opportunity;
3. **A refusal** to send you written information before you agree to buy or donate;
4. **An attempt** to scare you into buying something;
5. **Insistence** that you wire money or let a courier pick up your payment.

Courtesy of: www.fraud.org

Targeting Seniors

You are one of the prime targets for scam artists. Most seniors have savings accounts, college investment plans for their families, good credit scores and property. These are things scam artists want from you! Some common violations include:

Churning Excessive trades by a stock broker on your account to increase their own commissions or fees.

Suitability Disregarding your stated risk tolerance such as investing your money in high risk stocks when you requested a low risk portfolio.

Failure to Execute When a broker delays, fails, or refuses to execute transactions as requested.

West Virginia State Auditor Glen B. Gainer III is the Commissioner of Securities and often warns investors to pay special attention to the financial statements sent by their broker. Please call our toll free number if you would like to register a complaint or have other concerns.

By: Sonny Crowder - Field Representative, State Auditor's Office



EYE ON IT

Individuals age 60 and older may be eligible for a variety of in-home services through the Older Americans Act.

These services are offered through county aging providers (senior centers).

Examples of services include:

Home-delivered meals – a healthful meal—usually lunch—is delivered to the home of an eligible homebound individual.

Chores – heavy cleaning and yard maintenance for seniors who are unable to handle such tasks on their own.

Homemaker – preparation of meals, shopping, managing medication, and laundry for seniors who are unable to handle such tasks on their own.

Services vary by county but are modeled after those provided by the Older Americans Act.

Courtesy of:

www.wvseniorservices.gov

SAFETY IN AN ELECTRONIC WORLD

If you have children or grandchildren, do you want to provide them with the ability to explore all that the Internet and mobile communication have to offer and help them stay safe from the danger? As parents, grandparents, even great-grandparents, we must get involved! The popularity of mobile devices has had some unintended and even dangerous consequences. We now know that cell phones are linked to a significant increase in distracted driving, resulting in injury and loss of life.



Our children mainly communicate by text messaging, Facebook, Twitter and email on both computers and cellphones. They sometimes send inappropriate photos, oblivious to the danger and damage they can cause to their reputation.

There have even been reports by schools that children as young as 9 and 10 years old have been caught sending inappropriate photos over the internet using their cell phones.

Our office offers a presentation called **Internet Safety and Scams (ISS)** that is full of internet safety information. When there is an ISS presentation in your area, **please attend!** You will be surprised at what is happening online. Learn how you can help protect your loved ones.

By: Dave Shelene—Field Representative, State Auditor's Office



SAIF Presentation

In 2007, State Auditor Glen B. Gainer III launched the Seniors Against Investment Fraud (SAIF) program to educate West Virginians about financial scams and investor rights. Jim Terango, Director of Field Services for the West Virginia State Auditor's Office, recently offered a SAIF presentation to the members of the Knights of Columbus in Fairmont, West Virginia.

The program also aims to create a community-based team of volunteers who are interested in receiving and distributing investor alerts to friends and neighbors. Individuals are encouraged to find out more by visiting www.wvsao.gov or calling our toll-free phone number, **888-724-3982 (888-SAIF-WVA)**. The toll-free phone number also can be used to report investment fraud and check the registration status of broker/dealers, investment advisers and certain investments.

SAIF and ISS presentations may be scheduled for group meetings at no charge.



Volunteer to be a "SAIF" Representative

Seniors are at the top of the investment fraud target list as the most vulnerable to fraud for several reasons:

Accessibility & Isolation: Seniors tend to be home more often and are more isolated from family and friends.

Trusting: Seniors tend to be more trusting, more easily intimidated and less apt to be rude.

Assets: Many seniors have a substantial amount of savings used to supplement their retired living.

The best way to combat consumer fraud is to become a knowledgeable consumer.

SAIF works from the grassroots level by enlisting and training volunteers from all over the State of West Virginia. The volunteers are composed of seniors and professionals who take an active role in spreading SAIF's message to West Virginia's seniors.



SAIF's professional training consultants provide the volunteers with a comprehensive training manual and materials to use when presenting educational programs to seniors within their community. For more information, contact the West Virginia State Auditor's Office, Securities Commission:

State Auditor's Office – SAIF Program
Attention: James Rutledge
State Capitol, Bldg. 1, Room W-100
Charleston, West Virginia 25305



Q & A on Securities Information and the State Auditor's Office

"Where does the Auditor get his authority over securities?" From the laws of our state—specifically WV Code §32-4-406 (a), which states that the Auditor is designated as the Commissioner of Securities in West Virginia, and he is given authority over the administration and enforcement of the Uniform Securities Act.

"When did the Auditor gain authority over securities?" Originally passed as Senate Bill 200 in 1925, the West Virginia Securities Act granted the State Auditor regulatory authority over the administration and enforcement of state securities law.

"What is a security?" The criteria for a security, sometimes referred to as the "Howey Test*" is **an investment of money with an expectation of profit from a common enterprise which depends solely on the efforts of a promoter or third party.**

"Why can't I go to the West Virginia Attorney General (AG) for investment issues?" The AG does not have regulatory or statutory authority over the securities industry which includes investments, the people who offer and sell those investments, broker-dealers, investment advisers, etc. The Auditor has regulatory and statutory authority over securities, through WV Code §32-1-101, a/k/a "The Uniform Securities Act." The AG is charged with the enforcement of the West Virginia Consumer and Credit Protection Act (WVCCPA), which protects WV citizens in mainly consumer and creditor/debtor relationships. The WVCCPA covers credit cards, loans, mortgages, leases, and other consumer/creditor/debtor relationships, but it DOES NOT cover investments and securities.

If you are unsure which agency would be in a position to help, the staff at the Securities Commission will be happy to assist you. Contact: 888-724-3982

*SEC vs. W.J. Howey Co., 328 U.S. 293 (1946)